



COMMON MARKET COMMENTARY

DOUBTS and confusion over the issues involved in Britain's proposed entry into the European Economic Community increase as the noose grows tighter.

Both the Tory Party and the Labour Party are divided amongst themselves; only the Liberals (except for those who resigned over the issue) are apparently unanimous in wanting to push Britain into the Common Market.

The voice of opposition has been heard far less frequently only because it has less opportunity for putting its viewpoint than have the mighty official and semi-official organs of the government.

There is a growing uneasiness in many quarters that the whole matter has been over-simplified — that there is far more involved than meets the eye.

To be fair, some are aware that Britain's independence is involved, but press for her entry in spite of it. Their faith, their trust and their optimism are misplaced, for they have greatly underestimated the cost.

The *Guardian* on March 9 at least faces up to the situation. Its editorial said:

"Entry into the Common Market is bound to limit Britain's freedom of action in economic affairs, and eventually in foreign affairs also. No good purpose is served by pretending otherwise. Both major parties have been engaged in a prolonged attempt to pretend that the Rome Treaty does not mean what it says, but in the end their attempt will be futile or harmful. The ultimate purpose of the Common Market is that it should lead to a united Europe — united politically as well as economically. Both major parties know this, yet they sedulously pretend either that the implications of membership are unknown or that membership has, in fact, no political implications at all."

Examining the view that once inside the Common Market Britain's traditional diplomacy will enable her to influence policy, William Pickles (*Statist*, March 2) says this would be both stupid and dishonest:

"To ask us to influence the E.E.C. from inside is to ask us to try from a position of economic and political weakness to capture the bridge . . . and steer the ship in the opposite direction from that in which the others want to go."

He believes that Britain's decision is based upon her mistaken belief that E.E.C. decisions are taken upon a majority vote and that her prestige would enable her to assume an important rôle. In fact, the power of the veto is a powerful force in many E.E.C. decisions, such

as the fixing of common agricultural target-prices; the co-ordination of exchange policies; the authorisation of certain forms of state aid to industry; the common trade-cycle policy; agreements with outside countries on reciprocal tariff reductions; acceptance of new members or associates; and the renewal of the treaty of association with overseas territories.

He confirms that Britain could use her veto up to and beyond the end of the transition period. The veto can also be used in connection with amendments to the Treaty, particularly should an attempt be made to move from economic to political unity.

He admits that at first sight this would give Britain considerable influence, but he then points to certain disadvantages: the veto can be used only negatively in preventing a decision; the same power is held by all the other members and could be used against her; and excessive use of the veto would brand Britain as a saboteur and provoke retaliation.

There is doubt as to the quality of British civil servants in comparison with Continentals. He claims that Continental civil servants have an intimate knowledge of the Continental concepts of law, political procedures and habits of thought, all of which are different from those of Britain. Again, the legal document, comprising the Treaty of Rome, is full of terms which are literally meaningless in the context of English law and legal procedure.

Finally, he concludes that Britain's aims and traditions are totally different from those of the E.E.C., which are protectionist in external relations, laissez-faire-ist in industrial policy, federalist in ultimate intention, paternalist towards ex-colonies and bureaucratic or negative in political method.

The following extracts from articles, speeches and letters provide varied views representative of the antagonists of Britain's entry into the Common Market:

Joining By Default

WHETHER one favours or opposes Britain's entry into the Common Market, there is ground for uneasiness, even for alarm, about the way in which the issue may be decided in the months ahead.

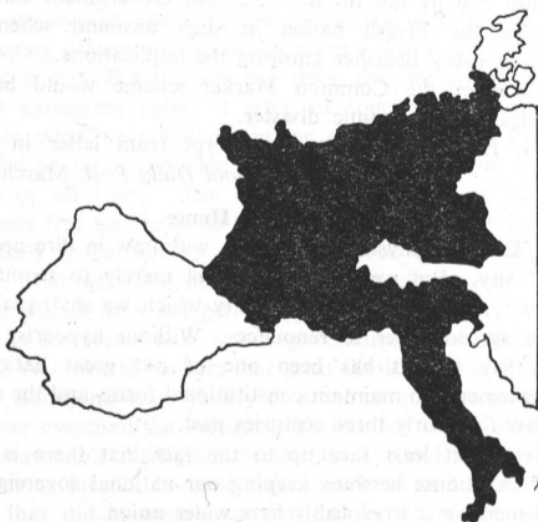
The pro-Marketees in particular have been almost incredibly complacent. They have been lulled into inaction by a series of agreeable surprises which, taken together, give a wholly misleading impression of what may lie ahead.

These include: the government's unequivocal decision to negotiate for full membership after so many years of dissembling; the "positive" approach of Mr. Heath and his counterparts in Brussels as negotiations began; the ease with which the government held its Conservative critics at bay both in Parliament and at their annual conference. Meanwhile, the move had overwhelming Press backing (for uneasy supporters of our entry, it was almost reassuring to find that Lord Beaverbrook was hostile).

Against this background, the pro-Marketees of all parties appear to have accepted the really quite bogus argument of the leaders of the two major parties that there is no point in any of us trying to make up our minds on this issue "until we know the terms of admission." But the fact is that we already do know 90 per cent. of the terms of admission; they are in the Treaty of Rome. And regardless of the precise nature of the concessions that may be made to Commonwealth trade or anything else, there are arguments of the profoundest importance both for and against signing that document.

It is therefore both dangerous and dishonest not to face up to and examine these arguments. In a sense, incidentally, the political issues, which have been almost wholly unexamined, are more important than the economic; the Commission of the E.E.C. will remain a dangerously irresponsible international bureaucracy until really effective centralised political institutions are established. But if it is worth accepting the political implications in order to get the economic benefits, which some (but by no means all) economists claim will follow, then the case must be made out far more effectively than it has been so far.

In fact, it is hardly an exaggeration to say that in these terms the case has not been made out at all. The party leaders, for perfectly understandable reasons, have tried very hard to discourage, if not to suppress, intra-party argument with their parrot cries about "not knowing the terms." And, taken together, the mass media, includ-



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FIGHTING OVER THE SPOILS

ONE early result of the Common Market has been a sharp renewal of a bitter feud between French and German brandy-makers.

The Germans have always had to buy their wine for making brandy abroad — in France, Yugoslavia, Spain or Italy. The Common Market has resulted in a prohibitive "outer" tariff from Yugoslavia and Spain; Italians have put up their wine prices by 30 per cent.; and the French are engaged in vigorous intrigue which (the Germans are convinced) aims to flood Europe with their Cognac.

A French Government decree has insisted that, in return for subsidies, 90 per cent. of the wine from the Cognac district must go to French brandy, leaving nothing for the Germans. The French are mercilessly rubbing in their new advantage.

[Observer, March 3.]

ing Press, television and radio, have done a lamentably inadequate job in exploring and explaining the greatest issue to face modern Britain in peace-time.

[Robert McKenzie, in the *Observer*.]

Sinister Political Aims

HALLSTEIN, frankly, sees himself as the first president of Europe. Where Hitler failed in war, Hallstein expects to succeed in peace.

It is sometimes a little frightening to turn back the pages of history and remember what the Fuehrer had to say about "Europe" — and to compare it with Hallstein's vision of the future . . .

Between them Adenauer and Hallstein see Britain as the only obstacle to a German economic (and eventually political) hegemony in Europe. Curiously, just as some British Common Marketees expect the better to be able to keep Germany in check with Britain inside the Common Market, Hallstein conversely believes that Britain in the Common Market on his terms will be powerless to obstruct Germany's ambitions.

In the indefatigable pursuit of this objective, the Adenauer-Hallstein axis has waged a fierce battle against everybody with a different interpretation of European economic association — which includes Professor Erhard . . .

Politically and personally, little love is lost between Hallstein and Erhard. They have not been on speaking terms since Hallstein, as Adenauer's man, was set to watch Professor Erhard in his own Ministry.

From the earliest infancy of the Common Market, too, Adenauer has switched negotiations away from Erhard's Ministry of Economics, and manoeuvred Hallstein's followers into key positions in the Bonn Foreign Office,

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which deals with Common Market questions.

Erhard, who does not want to see fruitful economic co-operation hampered by sinister political aims, has been virtually excluded from the negotiations, which have now pushed the Common Market formulae through to the current second stage . . .

On the face of it, one would have expected Hallstein — a perrickety and vain bachelor who has been known to insist on protocol and etiquette in ridiculous detail — to put himself visibly at the head of his European phalanx and to blow the Common Market trumpet with his own signature tune.

Not so. His voice just now is strangely muted. He is quite content to let his French colleagues take the credit. He has good reason at the moment to lead from behind and to keep his name out of the news.

["Hallstein's Year of Destiny," by Willy Frischauer, in the *Evening Standard*, January 29, 1962.]

Dearer Food

IF Britain joins the Common Market you will pay more — much more — for your food. Even Mr. Soames, our worried Minister of Agriculture (and Food, though he forgets it), has now been forced to admit this publicly. . . .

The threatened rise in food prices is likely to be much heavier than at first expected.

This is because a vicious system of "import levies" is to be clamped on all the main foodstuffs imported from outside the Common Market — wheat, beef, mutton, veal, lamb, bacon, butter and feeding stuffs. . . .

As world food prices fall — as they are likely to — the import levies will go up and up, in order to keep prices above the costs of old-fashioned Continental farming. . . .

The money raised by the import levies — that is the food tax on you and your family — would not be government revenue available to improve old-age pensions, or family allowances or cut taxes.

It is to be used to compensate inefficient farmers and sell their products abroad at dumped prices. . . .

Sir Donald MacDougall, top economist in Mr. Selwyn Lloyd's NEDC, says bluntly that "it is by no means obvious that entry into the Common Market would be a good proposition for Britain."

[*Reynolds News*, March 4.]

High Ideals Overboard

THE European Court at Luxembourg has been coming down heavily on the Italian Government for allegedly halting imports of pork. This violates Common Market rules providing for free movement of certain foodstuffs. It is the first case of its kind.

Italy could ignore the conclusions issued by the Advocate-General, M. Legrange, a Frenchman. But

other Common Market countries could make things so difficult in other ways that it would not be worth while. The French have hinted darkly at possible retaliation.

[*Daily Telegraph*, February 27.]

The "Wide Boys" Move In

BECAUSE Brussels is the capital of the Market, hundreds of experts are moving in from all six countries to form pressure groups representing every section of industrial, business, professional and social activities. There are so many that a book containing their names now runs to more than 600 pages.

Many represent agricultural interests. These have combined to produce a "spearhead group" known as COPA (Agricultural Products Co-ordinating Organisation).

[*Daily Telegraph*, February 27.]

Surrender Or Sovereignty?

THE Common Market proposals are based on the Treaty of Rome. The short facts are: the real danger is the political power which passes from the British Parliament to the Council of Ministers consisting of European countries who have a four-to-one majority and will have an absolute power to control policy.

The British Parliament, the House of Lords, the Court of Appeal and the High Court of Justice will be overruled on any decision made by the Council of Ministers and enforced by the International Court set up under the Treaty of Rome.

In short, we abrogate all political power over capital, labour, imports, exports, social services, foreign policy, defence, to a foreign body, and our sovereignty. . . .

Further, once having entered the Common Market it is a condition we are bound for ever to the terms of the Treaty of Rome, and Great Britain is no longer an independent sovereign power.

The United States do not intend to enter the Common Market and sacrifice their sovereignty and Great Britain should equally not do so. . . . No Government should involve the British nation in such unsound schemes, without every Britisher knowing the implications.

To enter the Common Market scheme would be a political and economic disaster.

[G. H. Stock (solicitor): excerpt from letter in the *Liverpool Daily Post*, March 4.]

No Halfway House

WE could, physically speaking, withdraw in dire necessity. But we should need not merely to renounce a treaty, but to renounce a treaty which we shall plainly have agreed never to renounce. Without hypocrisy we may say that it has been one of our great national achievements to maintain constitutional forms and the rule of law for nearly three centuries past. . . .

Let us at least face up to the fact that there is no half-way house between keeping our national sovereignty and merging it irrevocably in a wider union.

[Letter in *Daily Telegraph*, February 2.]